



To: All Community Development Recipients
From: Community Development Department
Date: August 9, 2007
Re: Alternative Utility Allowances

FSP-07-05

FSP Memo 07-03, released utility allowances to be used for IHCD's HOME and CDBG programs. This memo serves as guidance on how to obtain utility allowance figures outside of those published by IHCD.

Any allowance information submitted to IHCD using one of the options listed below will be accepted and deemed valid until the release of the utility allowances that will be released by HUD and published by IHCD the following year.

Recipients/Applicants are encouraged to contact their Community Development Representative if there are any questions regarding this memo or the utility allowances in FSP-07-03

UTILITY ALLOWANCES:

Option 1 – An independent utility study may be utilized on letterhead (of the utility company) and kept on file. You must contact the local utility provider and request a letter that outlines the location to be assessed, the specific utility, and the exact figures or a range of usage to use as an allowance. This may be a specific unit, street, neighborhood, development, city, town, or county.

If there is vacant land or an area where there are not clearly comparable units to obtain allowances, you may submit details of dimensions and/or floorplans in order for the provider to provide figures based on similar units in the area.

Option 2 – Each Public Housing Authority (PHA) has utility allowances that are derived from HUD. Applicants/Recipients are allowed to use these allowances as they are HUD numbers if the project is within the jurisdiction of the local PHA. Contact your local PHA to obtain their published utility allowances. The allowances used must be specific in relation to location of the development.

Option 3 – On or about August 31, 2007, IHCD will be providing detailed information regarding utility allowances based on each individual utility provider in the State of Indiana that will be allowed.

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